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## Hong Kong Poultry Egg Market Lessons Learned from the Dioxin Crisis 1999

In May, before Hong Kong was affected by the dioxin incident, the Netherlands was the largest egg supplier to the Hong Kong market, with 33 percent of the market compared to the U.S. with 18 percent. In June Dutch eggs were recalled and imports that month dropped 24 percent, reducing Dutch market share to 27 percent. However, shipments already on the way could not be stopped and the inventory of Dutch eggs piled up. In the meantime, importers ordered eggs from the U.S. for substitution. Therefore, imports from the U.S. started to surge in June and reached a climax in July, achieving a remarkably high import share of 40 percent. On the other hand, imports from the Netherlands and Germany dropped significantly in July with their market share reduced to 19 and 11 percent respectively.

Although the retail sale suspension was lifted on June 29 and EU eggs in storage were released for sale, orders made for U.S. and Chinese eggs in June started to arrive in July. Therefore, the total import in July did not drop but rose 8 percent instead. When the ban was suddenly lifted without prior notice, Hong Kong egg importers suffered an oversupply of eggs — the inventory of Dutch eggs and new shipments of U.S. and Chinese eggs. It was not surprising that egg imports for August experienced a significant drop of 18 percent.

The keen competition in the Hong Kong egg market is discernible from the change of market share between the U.S. and Dutch eggs. Much of the market share of U.S. eggs has been taken by Dutch eggs. The temporary absence of Dutch eggs in the Hong Kong market allowed imports of U.S. eggs to rise in July. The resurgence of Dutch eggs imports in August evidently showed the lack of competitiveness of U.S. eggs compared with Dutch eggs when the latter enjoy an export restitution.

### 1999 Hong Kong Egg Imports by Major Suppliers

Unit : thousand pieces

	May	Jun	% chg	July	% chg	Aug	% chg
US	22,907	29,975	31%	52,971	77%	30,985	-42%
China	36,626	35,751	-2%	39,620	11%	26,066	-34%
NL*	43,462	33,025	-24%	25,053	-24%	39,104	56%
GM**	26,928	22,612	-16%	15,060	-33%	13,014	-14%
Total	130,240	123,032	-6%	133,198	8%	109,443	-18%

\*Netherlands

\*\*Germany

Source: USDA/Foreign Agricultural Service

## JAPANESE FROZEN EGG IMPORTS (IN TONS)

Month	Frozen Whole Eggs	Frozen Yolks	Frozen Albumen	Total
1998				
January	210.7	1,624.6	272.2	2,107.5
February	128.6	1,280.3	386.9	1,795.8
March	94.2	1,183.7	278.0	1,555.9
April	101.2	846.8	413.7	1,361.7
May	135.9	532.0	241.7	909.6
June	125.4	396.7	290.3	812.4
July	121.3	313.5	335.3	770.1
August	101.6	300.6	244.4	646.6
1998 To-Date	1,018.9	6,478.2	2,462.5	9,959.6
1999				
January	170.6	1,585.1	423.5	2,179.2
February	164.0	647.4	161.2	972.6
March	151.4	644.1	357.3	1152.8
April	198.1	715.6	181.4	1095.1
May	175.3	422.1	434.0	1031.4
June	169.3	568.8	402.9	1141.0
July	146.2	694.3	450.0	1290.5
August	139.2	592.7	307.9	1039.8
1999 To-Date	1,314.1	5,870.1	2,718.2	9,902.4

Source: ALIC Monthly Statistics

## MEXICAN EGG PRICES EXPECTED TO INCREASE

Mexico's National Association of Poultry Producers (UNA) has announced that egg prices are expected to increase from approximately 9.00 pesos/Kg to 11.00 pesos/Kg (US\$1.00 = 9.5 pesos). According to UNA, egg prices have lagged behind inflation for the last three years, which has put pressure on the industry's competitiveness. UNA also claims that recent below-normal temperatures have increased demand. In the longer term, UNA indicates that egg consumption continues to increase and could rise from the current 18 kg per capita to 20 kg per capita in the next few years. (Sources: Excelsior, El Financiero, 10/29/99)

Source: UNCLASSIFIED Foreign Agricultural Service/USDA

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending November 06, 1999		Year-To-Date	
Type	1999	1998 /1	1999	1998
Liquid	144	289	11,601	13,259
Frozen	0	0	6	50
Dried	65	20	569	626
Total	209	309	12,176	13,935

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

	Week Ending November 06, 1999		Year-To-Date	
Type	1999	1998 /1	1999	1998
Liquid	72	79	3,930	3,636
Frozen	53	0	523	177
Dried	0	0	169	235
Total	125	79	4,622	4,048

**Inspected Shell Eggs****U.S. Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending November 06, 1999		Year-To-Date	
Type	1999	1998 /1	1999	1998
Jumbo	54	42	1,204	1,348
Extra Large	114	189	38,235	30,908
Large	3,979	5,050	131,764	108,296
Medium	1,320	2,370	43,957	53,367
Ungraded	16,800	8,378	560,543	324,516
Misc	0	847	10,722	8,794
Total	22,267	16,876	786,425	527,229

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 12-NOV-99

**CHICKEN PRICES**

	-----FROZEN-----		-----FRESH-----	
FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				
0 pounds, this includes 0 pounds for export shipment.				

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	19.00	19.00-20.00	15.00	-
WTD AVERAGE	19.00	19.42	15.00	
224,400 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	15.00	17.00	11.00-13.00	13.00-14.50
WTD AVERAGE	15.00	17.00	11.36	13.73
1,917,600 pounds, this includes 897,600 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	12.00	13.00
WTD AVERAGE			12.00	13.00
163,200 pounds, this includes 0 pounds for export shipment.				
* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI				

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 06-NOV-99 (PRELIMINARY)

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT	HEAVY	TOTAL
HEAD	1,785	1,416	3,201
LAST WEEK	2,024	1,581	3,605
SAME WEEK YR AGO	1,736	1,074	2,810
TO-DATE/1999	91,337	62,399	153,736
TO-DATE/1998	89,500	55,424	144,924

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
-----THOUSANDS-----			
HEAD	442	0	442
LAST WEEK	459	20	479
SAME WEEK YR AGO	185	0	185
TO-DATE/1999	20,384	249	20,633
TO-DATE/1998	22,596	288	22,884

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
-----THOUSANDS-----			
HEAD	2,227	1,416	3,643
LAST WEEK	2,483	1,601	4,084
SAME WEEK YR AGO	1,921	1,074	2,995
TO-DATE/1999	111,721	62,648	174,369
TO-DATE/1998	112,096	55,712	167,808

**EASTERN REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 12-NOV-99

**CHICKEN PRICES**

	-----FROZEN-----		-----FRESH-----	
FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	16.00-20.00	-	17.00-18.00	-
WTD AVERAGE	17.24		17.45	
1,267,000 pounds, this includes 320,000 pounds for export shipment.				

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	15.50-16.00	18.00	-	17.00
WTD AVERAGE	15.63	18.00		17.00
494,000 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	16.00-17.50	16.50	13.00-15.00	13.00-16.50
WTD AVERAGE	17.06	16.50	13.18	14.57
2,538,000 pounds, this includes 1,080,000 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	13.50	-
WTD AVERAGE			13.50	
200,000 pounds, this includes 0 pounds for export shipment.				
* INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV				

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

NOVEMBER 12, 1999

Tom breast meat undertone steady at best on frozen, fresh steady to weak with some not seeing the weakness that others see due to an inability to find skin-on. Thigh meat undertone steady to fully steady on fresh, frozen mixed with some unable to fill inquiries while others sell product at lower prices. Tom drum undertone steady to fully steady with cautiousness developing. Inquiry slow to good with offerings the least available from whole bird packers due to less cutting as they fill November whole body holiday commitments. Offerings of tom 2-joint wings becoming more available ranging from light to fully adequate. Rib breasts (8-10 lb., part loads): Grade A 118, plant grade 109, fresh destrapped tenderloins (part load) 123 cents delivered. For export: fresh tom drums (5 loads) 26-29, fresh thigh meat (2 loads) 63-64, tom defatted gizzards (1 container) 83 cents delivered.

**FRIDAY, NOVEMBER 12, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	28.00-32.00		30.57	280	30.57	280
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	27.00		27.00	156	27.00	156
TAILS	13.50		13.50	40	13.50	40
MECHANICALLY SEPARATED 4/	20.50-21.50		21.00	248	21.00	248
THIGH MEAT - FROZEN	58.00-62.50		59.25	352	60.20	472

**THURSDAY, NOVEMBER 11, 1999 - NO TRADING REPORTED DUE TO VETERANS DAY HOLIDAY**

**WEDNESDAY, NOVEMBER 10, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	29.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	27.00	208
TAILS		W	12.33	120
MECHANICALLY SEPARATED 4/		F	20.50	208
THIGH MEAT - FROZEN	62.00-65.00		63.50	80

**TUESDAY, NOVEMBER 09, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	29.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	27.00	208
TAILS		W	12.33	120
MECHANICALLY SEPARATED 4/		F	20.50	208
THIGH MEAT - FROZEN	62.00		62.00	40

**MONDAY, NOVEMBER 08, 1999****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	29.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		F	27.00	208
TAILS		W	12.33	120
MECHANICALLY SEPARATED 4/		F	20.50	208
THIGH MEAT - FROZEN		F	61.90	144

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

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